

State of New Jersey
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

ENERGY

IN THE MATTER OF PUBLIC SERVICE)
ELECTRIC AND GAS COMPANY'S PRO-)
POSAL FOR A CHANGE IN ITS MONTHLY)
PRICING MECHANISM WITHIN ITS)
LEVELIZED GAS ADJUSTMENT CLAUSE)
FOR RESIDENTIAL GAS CUSTOMERS)
PURSUANT TO N.J.S.A. 48:2-21 AND)
N.J.S.A. 48:2-21.1)

ORDER AUTHORIZING
PROVISIONAL RATES

DOCKET NO. GR00070491

(SERVICE LIST ATTACHED)

BY THE BOARD:

On July 31, 2000, Public Service Electric and Gas Company ("PSE&G", "Petitioner", or, "Company") filed an Amended Motion¹ with the Board of Public Utilities ("Board"), seeking a change in its Board-approved Monthly Pricing Mechanism ("MPM") within its Levelized Gas Adjustment Clause ("LGAC"). Petitioner estimated that its proposed change in the mechanism would result in an increase to the bill of a typical residential customer using 100 therms from \$71.89 to \$81.21, an increase of \$9.32, or approximately 13.5% in its residential LGAC rate².

Currently PSE&G is authorized to change its LGAC rate through its MPM by up to \$.07 per dekatherm, including Sales and Use Tax ("SUT"), per month for each of the months of November through April³ up to an annual limit of \$.35 per dekatherm, including SUT. The MPM calculation is performed monthly, and the Company only files with the Board to make a rate change if the calculated revised estimate yields a change of at least \$.05 per dekatherm from

¹ This Amended Motion was the same as PSE&G's original Motion except for a change in the caption.

² This includes Residential Service ("RSG"), Cogeneration Firm Service ("CFG"), Street Lighting Service ("SLG"), and Uncompressed Vehicular Natural Gas Service ("UVNG")

³ See the Board's December 22, 1998 Order Adopting Final Stipulation and Initial Decision in Docket Nos. GR98070445 and GR98070446 in paragraph 8 on pages 6 and 7.

the prevailing rate. The Company sought to increase its authority to modify its MPM by up to \$.35 per dekatherm, per month, exercisable in any month, with no annual limit. The requested change in the Company's authority under its MPM could potentially increase its LGAC rate additionally by 5.1% per month for the average residential heating customer using 200 therms per month.

The Company stated that the requested change in its MPM is necessary because, based upon current fuel cost projections, its fuel revenues will be under-collected by approximately \$90 million by the end of the winter heating season (April 30, 2001) if the monthly change remains at \$0.07 per dekatherm and that change is made each month. Additionally, the Company projected that if it were to make no change to the monthly price per dekatherm, the under-collection would be greater than \$115 million on April 30, 2001 and nearly \$140 million on October 31, 2001.

Petitioner further stated that these projected under-collections are the direct result of a dramatic increase in the cost of natural gas of approximately \$1.00 per dekatherm above the gas cost currently reflected in the Company's LGAC rate to its residential gas customers. Petitioner indicated that the day to day volatility of futures prices for natural gas, as indicated on the New York Mercantile Exchange ("NYMEX"), has been dramatic, with price changes often approaching as much as fifty cents per dekatherm during a day of trading. Additionally, the Company asserted that this increased price level was expected to continue for the next twelve months.

On August 9, 2000, this matter was transmitted to the Office of Administrative Law ("OAL") for hearing as a contested case and assigned to Administrative Law Judge ("ALJ") William Gural, t/a. Public hearings were conducted in New Brunswick, Hackensack and Mt. Holly on September 6 and 7 and October 3, 2000, respectively.

The parties in this proceeding are the Petitioner, the Division of the Ratepayer Advocate ("Ratepayer Advocate" or "RPA"), and Board Staff ("Staff"). The parties have engaged in discovery and settlement discussions during this proceeding.

On October 3, 2000, the Company filed an emergent motion for provisional rate relief, pursuant to N.J.S.A. 48:2-21.1. The Company sought an increase in its rates of \$1.95 per dekatherm to be effective October 10, 2000. This request was designed to reduce the Company's expected underrecovery balance to approximately zero by the beginning of the 2001/2002 winter heating season. If approved, Petitioner's requested rate increase would have increased the monthly bill of a typical residential customer using 100 therms from \$72.64 to \$92.14, an increase of \$19.50 or 26.8%.

The Company stated in its motion that subsequent to its July filing there have been continuing dramatic increases in gas prices as reported on the NYMEX. The September 29, 2000 NYMEX 12-month strip⁴ price rose to \$4.66 per dekatherm including a winter price of \$5.20 per dekatherm, while PSE&G's current LGAC rate is recovering only \$2.56 per dekatherm, representative of the cost of gas in 1998, when the rate was last reset. PSE&G projects that if it does not receive rate relief before the beginning of this winter season, it will incur an under recovery of approximately \$286 million by October 1, 2001. (INF-RPA-4, based upon the

⁴ A twelve-month strip consists of the simultaneous purchase (or sale) of an equal number of futures contracts for each of twelve consecutive contract months. The average of the prices for the futures contracts bought (or sold) is the price of the strip.

NYMEX closing price on September 18, 2000). PSE&G asserts that such large undercollections carried forward would place long-term economic burdens on the customers and the Company and should be avoided. In addition, it argues that totally inappropriate price signals would be given to the public. In addition, it argues that failure to reflect current market prices will impede the development of a competitive market.

In response to a Staff request, PSE&G indicated that it estimated its overrecovered gas cost balance to be \$39.1 million as of November 1, 2000. Further, based upon the NYMEX closing price on September 29, 2000, its underrecovered gas cost balance would increase to approximately \$262.0 million by October 2001 if its rates were not increased.

On October 4, 2000, Secretary of the Board, Frances L. Smith, sent a letter to the Ratepayer Advocate with copies to the parties in this proceeding, as well as the parties to the ongoing LGAC proceedings of the three other gas utilities, advising them that the Board had received emergent motions for provisional rate relief from all four New Jersey natural gas public utilities ("gas utilities"). The letter requested that responses to the motions be filed with the Board before the close of business on Friday, October 6, 2000.

On October 5, 2000, the Ratepayer Advocate filed a generic, two-part letter Answer to the Company's emergent motion as well as to the emergent motions filed by the three other gas utilities. This was the only response to the emergent motions received by the Board. The Ratepayer Advocate's Answer was supplemented on October 6, 2000, by a certification from the Ratepayer Advocate's consultant, Mr. Richard LeLash.

In its above-referenced Answer, the Ratepayer Advocate recognizes the need for emergent relief and recommends a proposal that provides for an immediate interim emergent rate increase of \$1.40 per dekatherm, but also includes measures to assist consumers who will be paying this increase. This increase would be followed by a second increase of up to \$.50 per dekatherm effective in January 2001, if warranted based on a proposed filing to be submitted by the Company on December 1, 2000. In the event this winter proves to be warmer than normal, or additional gas wells come on line sooner than expected, resulting in greater gas availability leading to lower gas costs, ratepayers would receive a rate decrease promptly on January 1, 2000. Finally, rates would be automatically decreased in April 2001, if justified, based on monthly updates of the December filing.

If approved, the Ratepayer Advocate's proposal would increase the monthly bill of a typical PSE&G residential customer using 100 therms from \$72.64 to \$86.64, an increase of \$14.00, or 19.3%.

The Ratepayer Advocate notes its concerns about the escalating price of natural gas and the effects on consumers this coming winter. However, the Ratepayer Advocate asserts that it is still necessary to deal with the impact of the high gas costs that prevail now. The Ratepayer Advocate asserts that its proposal takes into account not only the dramatic increases in the cost of gas, but also the impacts on customers and ways of mitigating those impacts. The proposal was devised to include three basic elements: (1) expeditious rate relief to the utilities during the heavy winter usage period; (2) measures to mitigate the impacts of the rate increase on consumers; and (3) an education program to inform all New Jersey consumers how they can conserve energy, and where to find assistance if they need it.

The second part of Ratepayer Advocate's proposal includes measures to help customers who may have difficulty paying these increased costs. The gas utilities would offer extended payment plans, fund special initiatives, such as increased utility contributions to New Jersey Statewide Heating Assistance and Referral for Energy Services ("SHARES") and other ventures, such as joint weatherization projects with New Jersey retail businesses, and free energy audits. The utilities would also absorb some portion of the increase in gas costs, by reducing their share of margin sharing revenues as an offset to gas costs. The third part of the Ratepayer Advocate's proposal is to educate consumers of the many steps they can take to conserve energy, and the various energy assistance programs available to consumers who cannot afford a rate increase. The Ratepayer Advocate proposes that the utilities, in cooperation with the Board and the Ratepayer Advocate, undertake a statewide education campaign to inform consumers how they can conserve energy and provide information about available energy assistance programs. The Ratepayer Advocate proposes that the gas utilities include bill inserts to their customers detailing information about available government and utility energy assistance programs, such as the Low Income Home Energy Assistance Program ("LIHEAP"), Lifeline, and SHARES. Additionally, the Ratepayer Advocate proposes that all gas utilities should install the "Chronicles" computer program to provide their customer service and collections personnel with ready access to information on available energy assistance programs for eligible customers.

In addition, in order to mitigate the impact of future price spikes, the Ratepayer Advocate proposes that all the gas utilities adopt a flexible, mixed gas portfolio purchasing strategy consisting of fixed gas price contracts, both short-term and long-term, storage inventories, financial instruments, and spot market purchases. Further, prudent financial hedging should be an integral component of gas purchasing strategies.

The intent of the Ratepayer Advocate's proposal is to provide a balance between the utilities' need for the rate relief to avoid large cost under-recoveries and the consumers' needs for assistance and education. In summary, the Ratepayer Advocate asserts that its proposal is fair to both the gas utilities and their customers.

Discussion and Findings:

The Board has reviewed Petitioner's motion for provisional rate relief and attachments thereto, as well as the comments of the Ratepayer Advocate. The Board is very concerned about the impact of escalating natural gas prices upon New Jersey's customers and upon New Jersey's natural gas utilities. The price of natural gas has increased significantly since March of this year and is presently more than double the price it was a year ago. According to recent projections by the federal Energy Information Administration ("EIA"), gas production prices will be about 87% higher this winter compared to last winter. (www.eia.doe.gov/emeu/steo/pub/steotext.html) As a result, the cost of natural gas delivered to residential customers nationwide is anticipated by the EIA to be about 27% higher this heating season. Id.

In the present case, the Board has reviewed the sharp increase in the price of natural gas and Petitioner's projection that this increase will cause it to have an underrecovered gas cost balance at the end of its LGAC year ended October 31, 2001 of approximately \$262.0 million if its rates are not increased. Due to the magnitude of this projected underrecovered balance, we find that delaying a rate increase in this proceeding would likely result in a significantly larger

increase in rates later this year in order to keep any underrecovered balance down to a reasonable level. Further, delay would cause Petitioner's rates to be significantly lower than the actual cost of gas and would make it difficult, if not impossible for third party suppliers to compete in Petitioner's service territory.

Based upon this review and in light of the extraordinary circumstances presented by this case, the Board believes it is appropriate to address the issues raised in Petitioner's emergent motion at this time. Therefore, the Board HEREBY RECALLS the following issues that have been transmitted to the Office of Administrative Law ("OAL"): 1) the level of rates necessary for Petitioner to recover its prudently incurred gas costs, and 2) Petitioner's flexible pricing proposal. All other issues raised by the petition which have been transmitted to the OAL, shall remain at the OAL. The Board Secretary will send a letter to the OAL indicating that the two issues described herein are being recalled to the BPU for further proceedings consistent with this Order.

However, in light of the extraordinary circumstances presented by this case and based upon the Board's review of Petitioner's emergent motion and the Ratepayer Advocate's response thereto, the Board believes that it is reasonable and in the public interest to address and take action on these issues on a provisional basis, pending further review. Therefore, in order to avoid the build up of a large underrecovered gas cost balance and the potential for larger increases in rates later this year, the Board HEREBY APPROVES on a provisional basis, subject to refund and interest, an increase in Petitioner's commodity rates⁵ including sales tax ("SUT"), from \$0.451973 to \$0.568173 for CS-RSG customers, from \$0.398973 to \$0.515173 for CS-SLG, CS-UVNG and CS-CFG (after 3/10/97) customers and from \$0.376390 to \$0.486013 for CS-CFG (on or before 3/10/97) customers per therm effective on and after the date of this Order. The impact of these changes will be an increase in the monthly bill of a typical residential customer using 100 therms from \$72.64 to \$84.26, an increase of \$11.62, or 16%.

In the present case, we believe that the Company should be afforded the opportunity to increase its rates on a provisional basis, subject to refund, effective as of the date of the order. We note that under N.J.S.A. 48:2-21.1, the Board may set a "negotiated" rate, subject to refund during the pendency of a rate proceeding. See, In re N.J. Power and Light Co., 15 N.J. 82, 96 (1954). Such a negotiated rate remains subject to refund, subject to final adjudication of just and reasonable rates. In re Intrastate Industrial Sand Rates, 55 N.J. 112 (1975). We emphasize that our granting provisional relief, subject to refund, should not be taken as a departure from the standards governing the granting of interim relief, See, In re Jersey Central Power and Light Company, BPU Docket No. 804-285, 38 PUR 4th 115 (1980). These standards remain fully intact and applicable to all utilities. Our action in this case is designed merely to set a provisional negotiated rate which all parties have indicated is warranted in light of the extraordinary circumstances in order to address the specific factual circumstances in this case. Even the Ratepayer Advocate recognizes that an increase of approximately 17% is appropriate in this case.

Further, in light of the volatility currently in the gas market, the Board HEREBY FINDS it appropriate to have flexible pricing in place this winter. Flexible pricing will provide Petitioner

⁵ By Order dated 7/31/00 I/M/O PSE&G's Rate Unbundling Filing Pursuant to Section 10, Subsection A of the Electric Discount and Energy Competition Act of 1999, Docket Nos. GX99030121 and GO99030124, the cost of gas component of the Company's residential LGAC rate is now recovered through the following commodity charges: Commodity Service-Residential Service ("CS-RSG"), Commodity Service-Cogeneration Firm Service ("CS-CFG"), Commodity Service-Street Lighting Service ("CS-SLG"), and Commodity Service-Uncompressed Vehicular Natural Gas Service ("CS-UVNG")

with immediate rate relief, coupled with rate decreases for consumers if gas costs come down. Therefore, the Board provisionally APPROVES the continuation of Petitioner's current Monthly Pricing Mechanism through April 30, 2001, subject to further Board decision after Petitioner's December 2000 further submission and subsequent January 2001 evidentiary hearings as detailed later in this Order and subject to the following parameters:

1. Mechanism: Petitioner shall be permitted, on a monthly basis on a monthly basis beginning on December 1, 2000, subject to the limits noted below, to adjust the Average Cost of Gas component of its CS-RSG, CS-SLG, CS-SLG, CS-UVNG, and CS-CFG rates to reflect cost changes that would have the effect of increasing or decreasing the projected level of the cost over/under collection at the end of the LGAC period. Each month Petitioner will calculate new CS-RSG, CS-SLG, CS-SLG, CS-UVNG, and CS-CFG factors reflecting the cost changes of the Average Cost of Gas component. This factor will utilize actual cost information to date along with consideration of prospective costs, credits for refunds, interruptible contributions and off-system sales for the current LGAC period. This adjusted cost will be compared to the estimated LGAC recovery, which is the revenue obtained at the then-effective CS-RSG, CS-SLG, CS-SLG, CS-UVNG, and CS-CFG rates. Based on the revised projected cumulative over/under collection at the end of the current LGAC period that results from this comparison, a revision may be made to the over/under collection component of the Average Cost of Gas component to obtain a revised rate to be charged in the subsequent months.
2. Monthly Filings: Petitioner shall file its monthly calculation of the Average Cost of Gas factor with the Board, Staff, and the Ratepayer Advocate at least five (5) business days before the beginning of each month that the MPM is in effect, regardless of whether or not a MPM change is proposed or not. Notice of proposed MPM rate changes shall be posted simultaneously on Petitioner's web site.
3. Effective Months: MPM price changes may be made in the months of December 2000 through April 2001, subject to further Board decision after Petitioner's December 2000 submission and subsequent January 2001 hearings as detailed later in this Order. The MPM will then expire on April 30, 2001.
4. Monthly MPM Price Increases: The monthly limit on MPM price increases will be \$0.0169 per therm including SUT. Further, Petitioner shall only file with the Board and make a rate increase if the calculated revised estimate yields an increase of at least \$.005 per therm from the prevailing rate. The maximum impact of each monthly MPM increase would be an increase in the monthly bill of a typical residential customer using 100 therms of approximately 2%.
5. Monthly MPM Price Decreases: There shall be no maximum limits on the level of any monthly MPM price decreases, and Petitioner shall flow through any MPM price decreases to ratepayers whenever the calculated monthly factor yields a decrease of \$0.007 per therm or greater for a given month.

In addition, in light of the volatility that exists in the gas market at this time, the Board believes that the effects of this volatility will need to be monitored and further assessed throughout this year. Therefore, Petitioner is DIRECTED to file a submission to the Board and the parties by December 1, 2000. This submission shall be the subject of evidentiary hearings before the Board in January 2001, and shall include the following information:

1. A summary of the current status of the gas market and Petitioner's projection of how it will change over the 18 months ended May 31 2002, including the current status of the NYMEX market.
2. Petitioner's gas purchasing plans for the 18 months ended May 31, 2002. Petitioner shall address its gas purchasing strategy, including its use of fixed gas price contracts (both short-term and long-term), storage inventories, financial instruments, and spot market purchases. With regard to financial hedging, Petitioner shall address the parameters it uses, including triggers, and associated costs.
3. A detailed description of all mitigation measures that Petitioner has taken to lower its cost of gas and to stabilize its customers' rates. This description shall address, but not be limited to, Petitioner's use of hedging, including fixed price contracts.
4. Based upon NYMEX closing prices on November 27, 2000, Petitioner shall provide:
 - a. Petitioner's projection of what per therm rate increases/decreases it expects to implement under the above approved flexible pricing for the period December 1, 2000 through April 30, 2001. Petitioner shall show the monthly impact of each of these rate changes to a residential customer using 100 therms per month expressed in present and proposed monthly bills, increased dollars, and increased percentages.
 - b. Petitioner's projection of what its over/(under) recovered gas cost balance will be, by month, through the end of its 2001 LGAC year under the rate treatment approved in this Order.
5. Documentation, testimony, information, and schedules in support of the provisional rates approved in this Order so that the Board may determine whether or not they should become final LGAC rates.
6. If Petitioner believes that any modifications to the rate treatment approved in this Order are necessary as a result of the status of the gas market, a proposal detailing said modifications along with testimony, support, and schedules for said modifications. Further, Petitioner shall publicly notice this proposal and schedule and notice public hearings for this proposal.
7. Petitioner's assessment of how the rate increases have impacted its low-income customers and how programs such as budget billing and extended payments have helped said customers.

Parties wishing to respond to Petitioner's submission shall file replies by December 15, 2000. After assessing the above information, the Board will make a determination regarding whether any modifications are necessary to the provisional rate treatment, including the flexible pricing provisions, approved in this Order. In addition, the Board will address whether or not the MPM will continue beyond January 31, 2001 and what modifications to the mechanism, if any, should be implemented.

Petitioner shall make subsequent submissions on a quarterly basis, beginning on April 1, 2001. These filings will provide updated gas cost information. In addition, if Petitioner believes that it will need a rate increase or decrease as a result of the updated gas cost information, the submissions shall include such a request. Further, Petitioner shall publicly notice this proposed increase and schedule public hearings for it. These requests shall be limited to issues related to the appropriate rate to recover Petitioner's prudently incurred gas costs. Other LGAC issues, for example, adjustments to components such as remediation costs, weather normalization, demand side management costs, or transportation education and implementation costs, that are not related to current gas costs will be addressed in Petitioner's annual LGAC filings. Specifically, the quarterly filings shall include the following information:

1. A summary of the current status of the gas market and Petitioner's projection of how it will change over the next 18 months including the current status of the NYMEX market.
2. Petitioner's gas purchasing plans for the next 18 months. Petitioner shall address its gas purchasing strategy including its use of fixed gas price contracts (both short and long-term), storage, financial instruments, and spot market purchases. With regard to financial hedging, Petitioner shall address the parameters it uses including triggers, and estimated costs (with a cap).
3. A detailed description of all mitigation measures that Petitioner has taken to lower its cost of gas and to stabilize its customer's rates. This description shall address, but not be limited to Petitioner's use of hedging (including fixed price contracts).
4. Based upon NYMEX closing prices on the second Friday preceding the filing (If Friday is a holiday, the prices on the next business day shall be used), Petitioner shall provide:
 - a. Petitioner's requested per therm rate increase/decrease. Petitioner should show the impact of this rate change on the bill of a typical residential customer using 100 therms per month expressed in present and proposed monthly bills, increased dollars, and increased percentage.
 - b. Petitioner's projection of what its over/(under) recovered gas cost balance will be, by month, for the next 18 months under the rate treatment requested, and if no rate change is made.
 - c. Testimony and schedules supporting any requested rate change.

Further, by letters dated September 27, 2000, and September 29, 2000, from the Acting Director of the Energy Division to each of the gas utilities, the utilities were requested to provide specific updated information related to their respective LGAC mechanisms on a weekly basis. In order to continue to monitor the impact of the volatility of the gas market, Petitioner is DIRECTED to continue reporting this information to the Board and Ratepayer Advocate to cover the period through the end of the current LGAC year as well as the following LGAC year and to continue to provide this information on a weekly basis until changed by further order of this Board.

In order to mitigate the impact of rate increases on customers, the Board DIRECTS Petitioner to initiate the following mitigation measures:

1. Petitioner shall offer extended payment plans to their customers, above and beyond what they may currently be offering. The length of the payment plan offered shall depend on individual customers, but should include plans that allow customers to spread out their payments, without interest, over periods of at least six months.
2. In developing Petitioner's future gas purchasing strategies, Petitioner shall consider hedging strategies, including the use of fixed price contracts.
3. On or before January 1 of each year, Petitioner shall provide the Board, Staff, and the Advocate with its gas purchasing strategy based on a mixed portfolio approach, consisting of fixed gas price contracts (both short-term and long-term), storage inventories, financial instruments, and spot market purchases. With regard to financial hedging, Petitioner shall include parameters, triggers, and associated costs.
4. SHARES, a non-profit corporation comprised of all of the State's electric and gas utilities except New Jersey Natural Gas Company, provides grants to help residential customers experiencing temporary financial difficulties pay their utility heating bills. The program is funded by a combination of stockholder, employee and voluntary contributions made by the customers of the member utilities. While not a member of New Jersey SHARES, New Jersey Natural Gas Company funds a similar program, "Gift of Warmth." The Board believes both programs provide valuable assistance to customers in time of need and, while recognizing that we may consider further expansion or modification of both programs (either in the Universal Service Proceeding now being conducted by the Board (Docket No. EX00020091) or in implementation of the energy assistance program, P.L. 2000, c.132, signed into law by Governor Whitman on September 21, 2000), we believe we should take steps now to increase customer awareness that these resources are available. Accordingly, we DIRECT Petitioner to:
 - a. Contact and increase to the extent possible the number of Community Action Program ("CAP") and other social service agencies that serve as intake agencies for SHARES within Petitioner's service area;
 - b. Add to its call center the ability to provide inquiring customers with the location of the CAP or other participating agency closest to that customer, as well as a brief description of the SHARES program and its eligibility requirements;
 - c. Recommend modifications to the program to expand the number of eligible participants;
 - d. Encourage through bill inserts, or other means, customers' contributions prior to this year's heating season; and

- e. In view of its prior efforts in securing the Chronicles software for use by the CAP agencies in processing SHARES applicants, we also DIRECT Petitioner to investigate the feasibility of expanding the use of this software and related hardware, both for use by the additional agencies that may participate in the program, as well as in unmanned kiosks to be located at selected bill paying offices of the member utilities.

Further, it is important that Petitioner initiate actions to ensure that customers are given accurate bills, and are aware of the various steps they can take to conserve energy and the availability of energy assistance programs to certain customers who may have difficulty in paying their utility bills. Therefore, the Board DIRECTS Petitioner to take the following measures:

1. Petitioner shall take the necessary steps to ensure that budget payments are accurately set for budget billing plan customers and that they are based upon actual meter readings, rather than estimated readings. In this regard, Petitioner shall make every effort to read customers' meters, or to call customers by telephone and ask them for their readings, if it is not possible to arrange for a mutually agreed upon time for the utility to read the meters. Further, Petitioner shall perform special meter reads when requested by the customer or when otherwise necessary, and shall accommodate the customer in every way possible to get actual readings of the meter.
2. Petitioner shall provide at least two bill inserts, with advance copies to Staff by November 10, 2000, providing:
 - a. Information about gas cost increases, including typical monthly bill impacts for residential heating and non-heating customers with various usages;
 - b. Information about budget billing and extended payment programs; and
 - c. Detailed information about all available government and utility energy assistance and energy efficiency programs, including LIHEAP, Lifeline, NJ SHARES or Gift of Warmth, federal weatherization programs, and any available home energy efficiency inspection and weatherization programs. The inserts shall provide eligibility information for each program, including samples of income levels needed to qualify for each program. There shall be a toll-free phone number for the utility for information on assistance with utility bills, energy efficiency and related programs. The information should also advise customers where to apply for State and federal assistance, including the toll-free phone number for LIHEAP.
3. Petitioner shall maintain its current tariffs on its web site so that customers can determine their current rates as soon as possible, and adjust their usage accordingly.
4. Petitioner shall provide additional education through other media, to be funded through the existing consumer choice education program to advise customers of the availability of the various assistance programs where people can go for help.

5. Petitioner shall provide additional education targeted at social service agencies to advise them of the various assistance programs available.
6. Petitioner shall require its utility customer service and collections personnel to advise all customers with payment problems about available assistance programs and provide them with the appropriate toll-free phone number.

The Board believes that the above decision is just and fair and in the public interest, as it will permit Petitioner to recover on a provisional basis, subject to refund with interest, its prudently incurred gas costs on a timely basis, will allow for timely decreases if warranted, will provide for mitigation of future gas increases, and provide customers with important information regarding possible payment options and assistance. Therefore, the Board HEREBY ORDERS the Company to file final provisional tariff pages which conform to the terms and conditions of this Order within ten (10) business days from the date of this Order.

DATED: NOVEMBER 1, 2000

BOARD OF PUBLIC UTILITIES
BY:

(SIGNED)

HERBERT H. TATE
PRESIDENT

(SIGNED)

CARMEN J. ARMENTI
COMMISSIONER

(SIGNED)

FREDERICK F. BUTLER
COMMISSIONER

ATTEST: (SIGNED)
FRANCES L. SMITH
SECRETARY